

Westshore Fireworks Inc.  
6641 E. Dewey Rd.  
Fountain, Michigan 49410  
231-462-3134

November 1, 2011

Honorable Senator:

My name is Floyd Kaminski, I am the owner of Westshore Fireworks Inc. Since 1978, Westshore fireworks has been a distributor of consumer fireworks to about 40 to 50 small businesses in a five county summer vacation area.

I am writing this letter to ask for your help to change the fireworks bill before your committee. HB 4293 H-8 is bad for small businesses. The way this bill is written, it will make it impossible for small businesses to sell fireworks. There are three problems that I see.

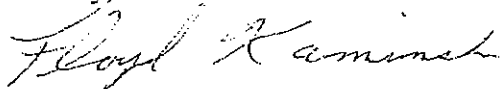
The first problem with this bill as written is the ten million dollar liability insurance that is required. Most small businesses can not get a ten million dollar policy. Large national fireworks companies may have a policy that big. But my suppliers and myself do not. The estimated cost of a policy of this size is a minimum of 30 to 35 thousand dollars. I know that some have said that stores may be added to the wholesalers policy if the wholesaler want to. This will make the small businesses a pawn to the wholesaler. Most states only ask for a one million dollar policy.

The second problem is the license fee. The fee of \$600 or \$1000.00 is way to high. With fees this high, it will keep many small retailers for selling fireworks. As for my accounts, I would have maybe one or two that may pay that large of fee to sell fireworks. Most of my accounts have beer license and the cost for this is around \$350.00 for items that sell year round. Fireworks do not sell year round. The best time is for the 4<sup>th</sup> of July and some on New Year's Eve. If fireworks sold that well year round, why do most stores in Ohio and Indiana close after the summer? This is why the state needs to have many stores handling fireworks sales so it is easy for a customer to purchase them. Would the state only put one liquor license store in a county? More stores, more sale tax and safety fees.

The final thing that no one has thought out is the native american tribes. If and when this bill becomes law, the tribes will open fireworks shops on the reservations and the state will not get any license fees, sales tax, or safety fees, from these stores. The reservation store will be able to sell fireworks at a lower price than state license stores. Also, the price of fireworks would be much higher in Michigan with the high license fees and high insurance cost. I think most of the people in the lower quarter of the state would still go to Indiana and Ohio to purchase there fireworks at a lower price than here.

In closing, if this bill goes on to become law it will put me out of business as a wholesaler, and put my accounts out of the fireworks business too. Please change the problem areas that I have pointed out by lower the insurance to one million and the license fee to one hundred dollars, so more outlets can sell fireworks and collect more sales tax and safety fees for the State of Michigan.

Sincerely,



Floyd Kaminski